

FORM MR-RC
Revised 2/17/89
RECLAMATION CONTRACT

File Number M/037/022
Effective Date ~~9-28-89~~
11-30-89

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED
SEP 18 1989

RECLAMATION CONTRACT

U.S. DEPT. OF
OIL, GAS & MINING

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/037/022
(Mineral Mined) Uranium

"MINE LOCATION":

(Name of Mine) Small Fry Mine
(Description) Underground mine, located
in Lisbon Valley, San Juan
County

"DISTURBED AREA":

(Disturbed Acres) 6
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) W.K. Enterprises
(Address) 3080 Spanish Trail Dr.
Moab, UT 84532
(Phone No.) 801/259-71-83

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

Bob Shumway

3080 Spanish Trail Dr.

Moab, UT 84532

801/257-7183

"OPERATOR'S OFFICER(S)":

Bob Shumway

Wilene Shumway

Gary Shumway

"SURETY":

(Form of Surety - Exhibit B)

Collateral - Certificate of Deposit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

n/a

"SURETY AMOUNT":

(Escalated Dollars)

3,380

"ESCALATION YEAR"

1992

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

9-8-89

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/022 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 30th day of November, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By 
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

Director

Date

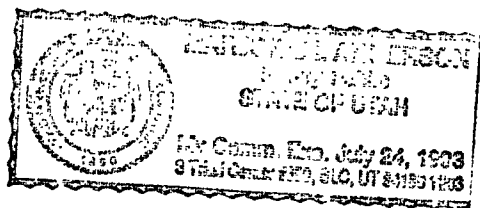
11-30-89

STATE OF UTAH)

) ss:

COUNTY OF SALT LAKE)

On the 30TH day of NOVEMBER, 1989, personally appeared before me, who being by me duly sworn did say that he/she, the said DIANNE R. NELSON is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Marjorie L. Anderson

Notary Public

Residing at: SLC, Utah

My Commission Expires:

OPERATOR:

By

Bob Shumway agent
Corporate Officer - Position

Sep 15 1989
Date

STATE OF

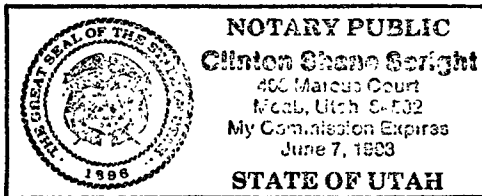
Utah

COUNTY OF

Grand

ss.

On the 15th day of Sept., 1989, personally
appeared before me Bob Shumway who being by
me duly sworn did say that he/she, the said Bob Shumway
is the agent
of Wk Enterprises and duly acknowledged that said
instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said
Bob Shumway duly acknowledged to me that said
company executed the same.



Shane Seright

Notary Public

Residing at:

Mesa, UT

My Commission Expires: 6-7-93

EXHIBIT A

The Small Fry Mine is located in the S 1/2, SE 1/4, SW 1/4 of Section 34, T29 S, R24 E; and the E 1/2, E 1/2 of Sec. 27, T29 1/2 S, R24 E; and the NE 1/4, NE 1/4 of Sec. 34, T29 1/2 S, R24 E, in San Juan County. The surface disturbance is approximately 6 acres.

Reclamation Estimate
for
W. K. Enterprises

Small Fry Mine
San Juan County
M/037/022

RECEIVED
SEP 18 1989

DIVISION OF
OIL, GAS & MINING

Prepared by DOGM
September 8, 1989

Description, Small Fry

The site covers 6 acres of surface disturbance. Five acres of this disturbance has been retopsoiled, regraded and ripped, as of August 31, 1989. The remaining 1 acre consisting of access road, small pad, and several adits will remain until ultimate closure of the mine. An estimate for reclamation work, yet to be completed, follows:

Revegetation

<u>Item</u>	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>\$/Acre</u>	<u>Acres</u>	<u>\$ Total *</u>
<u>Bare Costs</u>						
Seed Mix	14	lbs	9	126	6	750
Native Hay Mulch	2	tons	50	100	6	600
<u>Application Costs</u>						
Native Hay Mulch (hand spread)	3 hr		24	72	6	430
Native Hay Mulch (disced in)	.3 hr		67	20	6	120
Scarify (tractor and chain)	.3 hr		67	20	6	120
<u>Earthwork</u>						
Rip and Regrade	2	hours	140	280	1	280
<u>Other Costs</u>						
Removal of Structures	none	n/a	n/a	n/a	n/a	n/a
Seal Portals	2	each	300	n/a	n/a	600
Subtotal						2,900

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Small Fry Reclamation Estimate
M/037/022
September 8, 1989

10% Contingency	290
Total in 1989 \$'s	3,190
Escalation (1.93% annually for 3 years)	190
Total in 1992 \$'s	3,380

* Figures have been rounded to nearest \$10

MN6/1-2